



U.S. Department of Justice

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For Immediate Release:

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EVENT: Information

Defendant: LaToya Cotton

FORMER STATE HOUSING AGENT CHARGED WITH FRAUD

A former agent of the Michigan State Housing Development Authority ("MSHDA") was charged today by the United States Attorney's Office with one count of obtaining over one million dollars by defrauding MSHDA, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Daniel D. Roberts, Special Agent In Charge of the Detroit Field Office of the Federal Bureau of Investigation and Brandy Westcot, Coordinator for the Michigan State Housing Development Authority.

The fraud from MSHDA, a federally funded entity, occurred between 1994 and 2005. During that time, LaToya Cotton, 45, of Canton, worked as an agent for MSHDA. Her duties included arranging for State rental vouchers to be paid to low income tenants. Cotton committed the fraud by creating a straw company called "Washtenaw Payee Services" and directing voucher payments to a bank account in the company's name, while claiming the payments were rent payments on behalf of indigent tenants.

There is a plea agreement between Cotton and the government. Under it, Cotton agrees to serve between 37 and 46 months in federal prison. Cotton must also forfeit her

home and repay the amount obtained by fraud, namely, \$1,052,701. The maximum possible sentence is ten years imprisonment and a fine of \$250,000.

The investigation of this case was conducted by the Federal Bureau of Investigation, the Michigan State Housing Development Authority, and the U.S. Bureau of Housing and Urban Development, Office of Inspector General. The case is being prosecuted by Assistant U.S. Attorney R. Michael Bullotta.